

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Sixth Prudence Review of)
Costs Subject to the Commission-Approved)
Fuel Adjustment Clause of Union Electric)
Company d/b/a Ameren Missouri.)

Case No. EO-2018-

**STAFF'S NOTICE OF THE START OF
SIXTH FUEL ADJUSTMENT CLAUSE PRUDENCE REVIEW**

COMES NOW the Staff of the Missouri Public Service Commission, and for its *Notice of the Start of Sixth Fuel Adjustment Clause Prudence Review*, respectfully states to the Missouri Public Service Commission ("Commission") as follows:

1. The tariff of Union Electric Company d/b/a Ameren Missouri provides as part of its fuel adjustment clause that, "Prudence reviews of the costs subject to this Fuel and Purchased Power Adjustment Clause shall occur no less frequently than every eighteen months, . . ."¹ This comports with the language of both Commission Rule 4 CSR 240-20.090(7) and § 386.266.4(4) RSMo Supp. 2012.

2. Commission Rule 4 CSR 240-20.090(7)(B), in part, provides: "The Staff shall file notice within ten (10) days of starting its [rate adjustment mechanism] prudence audit." It also establishes the following schedule by which certain events are to take place based on the date the Staff starts its prudence review:

| Time from start of Staff prudence audit to event | Event |
|---|---|
| Within 180 days | Submission of Staff recommendation to Commission regarding Staff's examination and analysis |
| Within 190 days | Request for hearing |
| Within 210 days | Commission Order, if no hearing requested |

¹ Union Electric Company Tariff MO. P.S.C. Schedule No. 6, 1st Revised Sheet No. 73.10; and Original Sheet No. 74.9.

3. Staff plans to conduct a prudence review of the costs and revenues associated with Ameren Missouri's fuel adjustment clause ("FAC") for the period October 1, 2015, to May 31, 2017.² This review period corresponds to the 21st through 25th sequential accumulation periods and the 19th through 22nd sequential recovery periods for Ameren Missouri's FAC.

| Review of Accumulation Periods | Date of Accumulation Period | Review of Recovery Periods for Accumulation Periods | Date of Recovery Periods for Accumulation Periods |
|--------------------------------|-----------------------------|---|---|
| AP 21 | October 2015 - January 2016 | AP 19 | October 2015 - May 2016 |
| AP 22 | February 2016 - May 2016 | AP 20 | February 2016 - September 2016 |
| AP 23 | June 2016 - September 2016 | AP 21 | June 2016 - January 2017 |
| AP 24 | October 2016 - January 2017 | AP 22 | October 2016 - May 2017 |
| AP 25 | February 2017 - May 2017 | | |

4. Staff initiated this prudence review of the costs and revenues associated with Ameren Missouri's commission-approved fuel adjustment clause on September 7, 2017. Staff plans to file its recommendation and report on its review of this prudence review period of October 1, 2015 through May 31, 2017, by Wednesday, February 28, 2018, within the 180 day requirement of the rule. This is Staff's sixth prudence review of Ameren Missouri's fuel adjustment clause. Staff filed its

² The Staff notes rate adjustments based on the four four-month accumulation periods during the prudence review period were the subjects of File Nos. ER-2016-0243, ER-2017-0024, ER-2017-0147, ER-2017-0243 and ER-2018-0030, accumulation periods 21 through 25, respectively.

recommendations and reports to the Commission for prior prudence reviews of Ameren Missouri's FAC as follows:

| Prudence Review | File No. | Date Filed | Review Period |
|-----------------|--------------|-------------------|------------------------------------|
| 1 | EO-2010-0255 | August 31, 2010 | March 1, 2009 - September 30, 2009 |
| 2 | EO-2012-0074 | February 29, 2012 | October 1, 2009 - May 31, 2011 |
| 3 | EO-2013-0407 | August 28, 2013 | June 1, 2011 - September 30, 2012 |
| 4 | EO-2015-0060 | February 27, 2015 | October 1, 2012 - May 31, 2014 |
| 5 | EO-2016-0228 | August 31, 2016 | June 1 2014 – September 30, 2015 |

5. The following table identifies Ameren Missouri's Commission-approved FAC tariff sheets which were applicable for service provided by Ameren Missouri to its customers during the period October 1, 2015 through May 31, 2017:

Tariff Sheets in effect during review

| October 1, 2015 Through March 31, 2017 | April 1, 2017 Through May 31, 2017 |
|--|---|
| 2nd Revised Sheet No. 73 1st Revised Sheet No. 73.1 1st Revised Sheet No. 73.2 1st Revised Sheet No. 73.3 1st Revised Sheet No. 73.4 1st Revised Sheet No. 73.5 1st Revised Sheet No. 73.6 1st Revised Sheet No. 73.7 1st Revised Sheet No. 73.8 1st Revised Sheet No. 73.9 1st Revised Sheet No. 73.10 1st Revised Sheet No. 73.11 | 1st revised Sheet No. 74 Original Sheet No. 74.1 Original Sheet No. 74.2 Original Sheet No. 74.3 Original Sheet No. 74.4 Original Sheet No. 74.5 Original Sheet No. 74.6 Original Sheet No. 74.7 Original Sheet No. 74.8 Original Sheet No. 74.9 Original Sheet No. 74.10 Original Sheet No. 74.11 Original Sheet No. 74.12 Original Sheet No. 74.13 |

6. Tariff sheet numbers 73-73.11 and 74-74.13 provides for four-month accumulation periods as follows: February through May, June through September and October through January.

7. The Staff's Energy Resource Analysis Section is primarily responsible for conducting the prudence review and may change its review approach during this review, and in future prudence reviews as well, based on the particular circumstances existing at the time of the review. In performing its review Staff's Energy Resource Analysis Section is guided by Commission Rules 4 CSR 240-3.161 and 4 CSR 240-20.090. Staff plans to include in its recommendation the following:

Section 1 - Standard of Prudence

A. The standard requires documentation and includes other Commission principles as appropriate, such as the Commission's Affiliate Transactions Rules, which also require documentation.

Section - 2 Review Scope

A. Presently Known Areas To Review

1. Ameren Missouri's Total Book Costs of Fuel Consumed in Ameren Missouri's Generating Units;
2. Ameren Missouri's FAC Cost Recovery from Customers (Revenues)
3. Costs and Revenues Associated with Ameren Missouri's Fuel Hedging Program;
4. MISO Integrated Market Cost and Revenue Transactions;
5. Purchased Power Energy Charges, Including Applicable Transmission Costs;
6. Off-System Sales; and

7. Emissions Allowance Costs and Revenues
- B. Tests/Investigations to Address/Discover Other Significant Items Impacting Fuel and Purchased Power Cost Recovery Amount
 1. Comparison of Net Base Fuel Cost Components and Amounts to Claimed Cost Components and Amounts;
 2. Plant Outages; and
 3. Fuel, Freight and Transportation / Purchased Power Contracts.

WHEREFORE, the Staff of the Missouri Public Service Commission hereby provides notice that it started its prudence review of the costs and revenues associated with Ameren Missouri's Commission-approved fuel adjustment clause on September 7, 2017, for the review period of October 1, 2015, through May 31, 2017, and that it plans to file its recommendation and report regarding the Staff's examination and analysis in this case by Wednesday, February 28, 2018.

Respectfully submitted,

/s/ Robert S. Berlin

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 7th day of September, 2017.

/s/ Robert S. Berlin